

not have access to the facts? A review of the origin of this project might be useful at this stage.

I well recall the early discussions in cabinet. Canada experienced a shortage of heavy water. An increased supply was required to provide for our new atomic energy plants that were being built. Two proposals were put forward for consideration. One involved construction of a plant in Whiteshell, Manitoba, under contract to the Canadian General Electric Company. The other was the Deuterium of Canada proposal for construction of the Glace Bay plant. All of the expert advice supported the Canadian General Electric proposal. Most of the problems relating to the Deuterium proposal were anticipated in the discussion.

The discussion raged on for a considerable time. Ultimately, a decision was taken. The decision finally was strictly political. It was a private decision taken by the then Prime Minister and the present President of the Privy Council (Mr. MacEachen). It defied economics. It was a political decision, pure and simple. Incidentally, Mr. Speaker, this is not an isolated example of political decision making by the President of the Privy Council. He has a good track record in this regard. I understand he studied economics at university, but I have not seen the slightest evidence that he is able to keep the principles in mind on a day-to-day basis. The financial results of this judgment have been great, with about \$100 million down the drain so far. That means that every Canadian taxpayer, every member of the Canadian labour force, has been relieved of about \$12 in tax money for one blunder on the part of government.

If this were the only case it would not be so bad, but there have been many, many other cases of governmental blundering in decision making. We have one in Manitoba involving vast sums of money. We have another one in Newfoundland where an excessive over-run of costs occurred. Then, of course, in the Department of Regional Economic Expansion subjective judgments are being made almost every day. Recently a decision was made to subsidize a French tire manufacturing company with a considerable amount of the taxpayers' money. I have wondered if the workers in other tire manufacturing plants in Canada want to pay higher taxes in order to help put themselves out of jobs.

A while ago the Canadian taxpayers were asked to provide some millions of dollars to an American soap company to build a paper plant in northern Alberta. This was decided at a time when capacity in that industry was already far greater than the demand. Once again, I think it is reasonable to ask: did the workers in the existing plants with the existing surplus capacity want to pay higher taxes in order to subsidize the elimination of their own jobs? The story, of course, goes on and on. There are some very important considerations in so far as the principles are concerned.

When I was doing research for my book, "Agenda: a Plan for Action" I took a look at some of the experience related to both public ownership of industry in Canada and public participation by other means. I found there were certain very interesting principles involved, in so far as the line of demarcation is concerned, between companies publicly owned which affect the average citizen

Heavy Water Production

directly, and those which do not. For example, I found that corporations like the Canadian Overseas Telecommunications Corporation, which is not widely known, and whose name would probably not be recognized by many Canadian taxpayers, operates very efficiently and with virtually no interference on the part of government whatsoever.

When that corporation reported to me as minister of transport, I think I came in direct contact with the president of the corporation about only once a year. On that occasion he would bring to me their annual statement for the year, and report verbally on the success they had encountered. Almost inevitably they had good financial success. The service they were providing to the Canadian people was highly satisfactory, and there was no reason for me and no inclination on my part to inject political considerations into the management of that corporation.

I think the same could be said of Polymer, Mr. Speaker. It has often been cited as an example of a Canadian corporation, publicly owned, which was operated with virtually no political interference at all. Certainly, this was the case until recently, when I think some exceptions might have been made. During all those years it was a most successful organization. Part of its success was due to the fact that it was operated by highly skilled management, with exactly the same kind of criteria that would be applied in privately administered enterprises. Its success was worldwide. Very recently some political considerations have been injected into the management of that company, but I have not yet had a chance to check the effects of that interference.

• (1710)

On the other hand, Mr. Speaker, other types of corporations are quite different. I should like to give two examples of corporations where on a day to day basis they come into contact with many Canadian citizens and where as a consequence and inevitably, political judgments are introduced. The first one is Central Mortgage and Housing. Here is a publicly owned corporation which affects the lives of many Canadians quite directly. If one were to examine the file, one would find that during its years of existence there has been more than a little correspondence from individual taxpayers to the minister to whom the corporation reported. Of course, in many cases the inquiries were merely of a factual nature, but in other cases direct intervention on the part of the corporation was called for. It is virtually inevitable, where any corporation comes in this kind of direct contact with individual taxpayers, that political and subjective judgments will have to be made on behalf of the people being represented.

One could cite the Canadian National Railways as another case in point. Often there have been requests to shut down branch lines which were overruled indirectly by the government. It would not be convenient to have a certain branch line shut down just in advance of a general election or a by-election where that branch line happened to serve a constituency which was a marginal case. From my earlier years in parliament, I recall direct intervention by the government in settling labour disputes between Canadian National Railways and its employees and normal considerations were abrogated when the political